



November 2019 Market Update

How time flies! It seems yesterday was a time for enjoying warm summer evenings, and suddenly we are winterizing our yards, autos and preparing for winter. The investment markets appear to have much of the same attitude. The summer brought higher markets in most investment classes. A relaxing and comfortable time for all. As we reach the end of October however, there is more discussion of battening down the hatches, preparing for some rough times and hoping to come out on the other end relatively intact. I don't know what is bringing about some of this fear. 2019 has been a better year for equities than 2018, and some investors may fear the late 2018 correction will come again soon. Corrections are possible, probable and inevitable. As we look at these risks, it is just as important to remember that the 2018 correction recovered just as quickly and improved still to higher levels. When looking at the past 12 months - which includes both the correction and the recovery - the markets are higher over that period. The TSX Composite is +3.6% and the S&P500 +4.2% (September 30, 2019).

The amount of bad news we hear every day through Television, radio, social media is almost infinite. The constant stream of bad news, anger and vitriol could prompt someone to lock the doors and windows and get ready for the end of everything. But we don't. Wars, disasters, disparities in wealth, have brought conflicts to civilization forever in the past, and probably forever in the future. We continue to move forward and strive to make lives better for us, our families, and those in society. The same is true for the investment markets. Corrections, economic recessions, and political upheaval will likely bring about lower market prices. Time and patience are the important factors that allow us to move forward for the better.

With your investment portfolios, we will always plan for the positive, while also preparing for the negative. Good quality investing will always win out. Fundamentals in the economy and in businesses are regularly changing. We will adapt and change with these fundamentals.

On a different note, the recent Canadian federal election brought about some interesting outcomes. With the Liberal minority government, I expect little change (at least for the next two years since it takes six years in office to get the full pension). What we may expect is for the budget deficits to continue to increase. There may probably be more tax increases at the higher end of the income scale to pay for this increased spending.

As we head into the final two months of 2019, we will be in touch with you to discuss any realized capital gains or losses that may need to be addressed. We will also review and discuss the year ahead to ensure that your investments continue to meet your personal goals, objectives, and desires.

Meanwhile, be prepared for the Income tax season. How? By setting yourself up with online access via the Canada Revenue Agency website at Canada.ca/en/revenue-agency.html under “Sign in to a CRA account”, “My Account”. As per their website the My Account is a secure portal that lets you view your personal income tax and benefit information and manage your tax affairs online. It also provides access to your RRSP contribution limit, your Tax-Free Savings Account contribution limit along with many other important information.

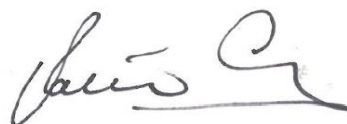
In keeping with the philosophical ramblings in this update letter - As always, remain optimistic, yet cautious.

Best regards,
CIBC Wood Gundy



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